

## Message Text

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ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 AGR-10 CEA-01 CIAE-00 COME-00

DODE-00 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04 ITC-01

TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 FEA-01 FTC-01

AF-08 EA-09 EUR-12 NEA-10 ERDA-07 FPC-01 PM-04 SAM-01

OES-06 ACDA-10 /174 W

----- 040513

R 071500Z JUL 76

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 1480

UNCLAS LA PAZ 5355

E.O. 11652: N/A

TAGS: ETRD, GATT, BL

SUBJ: HOST COUNTRY CONTROLS ON EXPORTS

REF: STATE 148224 AND PREVIOUS

1. EMBASSY NOT AWARE OF BOLIVIAN EXPORT CONTROLS WHICH AFFECT US SUPPLY ACCESS. RE PARA G REFTTEL, THERE ARE SOME STATE-OWNED CORPORATIONS WHICH HAVE MONOPOLIES OVER CERTAIN EXPORTED PRODUCTS:

(A) YPFB (BOLIVIAN PETROLEUM CORPORATION). YPFB, THE BOLIVIAN STATE PETROLEUM AND GAS COMPANY IN EFFECT HAS A MONOPOLY IN THE HYDROCARBON FIELD. IT IS THE ONLY MARKETER OF REFINED PRODUCTS IN THE COUNTRY AND EXPORTS CRUDE OIL AND NATURAL GAS. HOWEVER, FOREIGN OIL COMPANIES HAVE OPERATIONS CONTRACTS WHICH ALLOW THEM TO EXPLORE FOR OIL AND, IF FOUND, TO SHARE IN ITS PRODUCTION AND EXPORT BASED ON A PREVIOUSLY NEGOTIATED CONTRACT. SINCE THE FOREIGN COMPANY HAS COMPLETE CONTROL OF ITS SHARE,  
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IN EFFECT, YPFB DOES NOT HAVE A MONOPOLY OF

PETROLEUM EXPORTS AND COMPANIES HAVE OPTION TO BUY YPFB SHARE. BOLIVIA EXPORTS OIL TO THE US.

(B) NO URANIUM IS NOW BEING PRODUCED IN BOLIVIA BUT ACTIVE EXPLORATION IS BEING CONDUCTED BY AGIP AND US; GERMAN AND FRENCH COMPANIES HAVE EXPRESSED INTEREST IN EXPLORATION. THE BOLIVIAN NUCLEAR ENERGY COMMISSION, COBOEN, HAS A ROUGHLY SIMILAR MONOPOLY SITUATION AS DOES YPFB IN THE PETROLEUM SECTOR. FOREIGN COMPANIES MUST FIRST OFFER ANY URANIUM MINED AND MILLED TO COBOEN BUT MAY, IF NOT NEEDED LOCALLY, EXPORT THE URANIUM OXIDE. BOLIVIA HAS NO NEED FOR URANIUM AS AN ENERGY SOURCE SINCE IT IS AN EXPORTER OF ENERGY.

(C) CNECA, BOLIVIA'S NATIONAL SUGAR COMPANY HAS AN EFFECTIVE MONOPOLY OVER SUGAR EXPORTS AS ALL SUCH EXPORTS ARE HANDLED. THROUGH THIS AGENCY, CNECA HAS BROAD AUTHORITY OVER PRODUCTION, COMMERCIALIZATION, SALE FOR DOMESTIC USE AND DOMESTIC PRICING OF SUGAR AS WELL. BOLIVIA EXPORTS SOME SUGAR TO THE US.

(D) ENA - THE NATIONAL RICE CORPORATION HAS POWERS SIMILAR TO CNECA'S WITH RESPECT TO RICE. ALTHOUGH BOLIVIA HAS PREVIOUSLY BEEN A NET IMPORTER OF RICE ENA EXPECTS TO BEGIN EXPORTING IN 1976.

2. EMBASSY BELIEVES THE OPERATIONS OF THE ABOVE STATE-OWNED CORPORATIONS DO NOT EFFECT US ACCESS TO THE COMMODITIES IN QUESTION IN ANY WAY.  
STEDMAN

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